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THE  
**CLAN**  
• PRACTICAL •  
ACCOUNTANT™



Question and  
Answer Guide



**SIR-TECH**





This *Question & Answer Guide* attempts to deal with situations which occur more or less commonly in day-to-day use of *Clan Practical Accountant*. It is a collection of ideas and procedures which users of the program have found helpful, put into one place for convenient reference rather than scattered through other Guides.

You may find the *Q & A Guide* provides useful solution to problems in both program operation and accounting, regardless of your prior experience with computers or bookkeeping.

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# **Clan Practical Accountant**

## **QUESTION & ANSWER GUIDE**

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# Clan Practical Accountant

## QUESTION & ANSWER GUIDE

### Question 1:

How do I open an asset or liability account with its correct balance?

### Answer 1:

Account-opening is simple in principle. All you have to do is:

- \* *Put the correct existing balance in the account.*
- \* *Increase or decrease Net Worth depending on whether the account is an asset or liability.*

CPA lets you handle both of these things in a single transaction entry. It will differ from a normal entry only by its date and the fact that one of the two accounts named in it will be Net Worth.

(Use the Transfer/Journal Entry function in the Enter Transactions segment to enter account-opening transactions. Make sure each new account is already listed in your chart of accounts before starting.)

Assets--except for credit card accounts, see below--should be opened with transfers from Net Worth to the asset accounts.

Liabilities and credit card accounts should be opened with transfers from the accounts to Net Worth.

The amount of an opening transaction is *the balance of the account at the beginning of the current fiscal year* if you want to track all your accounts for the whole year, or *the current balance* if you do not. It is entered as a positive number whether the account is an asset or a liability--the program knows when to treat an amount as negative.

An opening transaction is entered with a "zero date"--zeroes are used where the month and day would normally appear. An example of a zero date is 0/0/86.

(To open a new asset or liability account established any time **after** you begin using CPA, define it in the chart of accounts, then enter a transaction as described above, but with the true date of opening, *not* a zero date.)

There is no need to open income and expense accounts in this way, because their balances are not carried forward from year to year.

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### Question 2:

**I want to keep an account for a credit card. How do I open it?**

### Answer 2:

From a bookkeeping standpoint, a credit card account is nothing but a checking account which is usually overdrawn.

Define a credit card account in your chart of accounts as a liquid asset account (account number between 100 and 119) in the same way you would any other bank account.

If a credit card account has a negative balance, it should be opened as if it were a liability account: transfer the balance FROM the credit card account TO Net Worth (and enter the balance as a positive number). Once this is done, the account can be used in the same way as a checking account. CPA will maintain a negative balance (normal for a credit card account) just as easily as a positive balance.

To open a credit card account established after you begin using CPA, just define the account in your chart of accounts and begin using it. It will start with a zero balance and maintain the correct balance thereafter.

---

### Question 3:

**The balance of a bank account produced by the Reconcile segment is different than the balance on my current bank statement, even though the initial balance was correct at the start of the year. The account is not reconciled. Why not?**

There is no single answer to this question because there are a number of different possible causes.

### Cause 3(a):

Missing entry or entries. Deposits or withdrawals have been made but not entered in CPA. If you've just begun use of the program, you may have forgotten to enter checks written before you started.



**Answer 3(a):**

Compare your account entries to your checkbook and bank statements. Enter any transactions which are missing from your *CPA* account. There may be special charges or credits which the bank has made to your account (check charges, dividend payments, etc.), but which you haven't entered in *CPA*.

**Cause 3(b):**

Incorrectly cleared transaction. You cleared a transaction that was not on a bank statement.

**Answer 3(b):**

Use the Clear Returned Items function to find and change to outstanding any transaction which is marked as cleared but which is not on your bank statement.

**Cause 3(c):**

The amount of a transaction is incorrect.

**Answer 3(c):**

Look for a transaction entry which contains a different amount than the one on the statement and check or deposit slip. Amounts can be changed using the Correct Transactions function in the Enter Transactions segment, or they can be changed directly in the Clear Returned Items function of the Reconcile segment.

**Cause 3(d):**

Previous month's balance incorrect.

**Answer 3(d):**

Use the Clear Returned Items function to convert all this month's transactions back to outstanding (with a question mark following the amount). Then reconcile the previous month's statement again.

**Cause 3(e):**

Monthly statements handled out of order.

**Answer 3(e):**

If several months' statements are received before any attempt is made to reconcile them, they must be reconciled in chronological order, oldest statement first. Otherwise, the balance at the beginning of reconciliation will be incorrect for each statement, just as in the last cause.

The solution here is also to convert back to outstanding any transactions which have been cleared, then repeat the reconciliations in chronological order. The **best** solution is not to let statements accumulate, but reconcile them in timely fashion as they are received.

### Cause 3(f):

The bank has made a mistake. (It does happen!) This will be the case if the bank statement disagrees with your physical records--cancelled checks, deposit slips, etc.--and there are no unaccounted special charges or credits.

### Answer 3(f):

Contact the bank and inform them of their error. (*CPA* listings and statements can help prove your point if there is any dispute.)

*CPA* provides numerous tools to locate and correct sources of disagreement between its results and bank statements. Since incorrect data can always be corrected, patient and sensible use of these tools should always result in reconciled accounts.

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### Question 4:

The program won't accept an entered date. What am I doing wrong?

### Cause 4:

The date you're trying to enter is outside the fiscal year stored on your data disk.

*CPA* is designed to help you enter only valid data. As part of this design, the program won't save records from different fiscal years on the same data disk. When a date is entered, *CPA* compares it to the fiscal year stored on your data disk. Dates outside the fiscal year are rejected.

### Answer 4:

If the date you want to enter is outside the fiscal year, what you should do depends on whether the date is earlier or later than the fiscal year:

If you want to enter a transaction that occurred last year, you can do so by assigning it a month and day of zero. This signals *CPA* to include it in account balances, but not in totals for any month this year. For example, in January of 1986 you discover you forgot to enter a deposit to your savings account in December of 1985. Entering the

deposit on the 1986 disk **with a date of 0/0/86** will give you the correct savings account balance without including the deposit in 1986's business.

If the date is for next year, you can't--and shouldn't try to--enter it on this year's data disk. See the next Question.

---

### Question 5:

I've used *CPA* successfully all year. Why is the program suddenly refusing to accept dates?

### Answer 5:

You're in a new fiscal year.

As discussed for the last question, *CPA* won't allow you to enter any dates outside the fiscal year stored on a data disk. If, for example, a disk is set up for a fiscal year ending December 31, 1985, you can't enter a date from January of 1986.

It is now time to use the Bring Forward Balances function in the Utilities segment to "roll over" your accounts for a new fiscal year.

This function will prepare a new data disk for the fiscal year following that of the old disk. The new disk will have the same name as the old one, and it will contain the same chart of accounts. Any outstanding transactions will also be transferred. Opening transactions will be placed on the new disk for the balances of all asset and liability accounts. Thus, once this function is performed, you can proceed with entering transactions for the new year without further ado.

Simply select U(ilities from the Main Menu, and then select B(ring Forward Balances from the Utilities menu. Follow the directions on the screen to transfer the information on your old data disk (in Drive 1 for this job) to a blank disk in Drive 2.

---

### Question 6:

Why won't *CPA* accept transactions even though they have a valid date within the fiscal year?

### Answer 6:

The data disk is full.

Use the Bring Forward Balances function in the Utilities segment to start a new data disk for the same fiscal year as the last one.

The function is used in the same way as it is at the end of a fiscal year. However, *CPA* will start the new disk in the next month of this year, rather than in the first month of next year. Income and expense balances will be brought forward in addition to asset and liability balances.

You can use as many data disks as necessary to hold a year's transactions by bringing forward balances to a new disk each time a disk becomes full. (Because a single data disk will store thousands of transaction entries, most people won't need more than one disk for a year's data.)

During transaction entry, *CPA* constantly shows how much of a data disk's storage capacity has been used. Don't begin entries for a new month if you suspect the data disk will become full before the end of the month. Instead, "roll over" your accounts to a new disk before beginning entries for the new month. This will allow you to enter all your data correctly.

---

### Question 7:

**The order and grouping of accounts in reports is confusing or inconvenient. Can I rearrange them?**

### Answer 7:

Any account may be moved in reports by assigning it a different number in the chart of accounts, because the order of accounts in reports follows the order of the chart.

Suppose you assigned expense account "Gasoline" a number of 445 at the beginning of the year, but now you want it subtotaled with "Travel Expenses," which have numbers from 420 to 429 in your chart. All you have to do is use the Chart of Accounts function in the Setup segment to change Gasoline's account number from 445 to a number between 420 and 429. Gasoline will then be listed and subtotaled with Travel Expenses in reports.

(You can also change a subtotal group's beginning and ending account numbers to include or exclude specific accounts. Use the Subtotal function in the Setup segment to do this.)

The number or the name of an account (or even both) can be changed at any time: transactions already entered under the old number or name will stay in the account under the new number or name.



**You may not change an account number to a number of a different type.** That is, you could not change your Gasoline expense account number from 445 to 345 because numbers from 300 to 399 are reserved for income accounts.

---

### Question 8:

**An entered transaction doesn't show up in the Monthly Report.** I paid my May electric bill and entered the payment, but the payment isn't in the May column of the report. What's wrong?

### Answer 8:

A transaction is entered for a month earlier or later than the correct month. (This is an easy mistake to make by accepting an incorrect default during transaction entry.) Or, the transaction may have been entered as paid to the wrong expense account.

Correct the transaction date, or change the Pay To account, using the Correct Transactions File function.

---

### Question 9:

**My paycheck represents an amount of money for which taxes (and possibly other charges) have been withheld by my employer. How do I keep track of the amounts withheld and of my gross pay?**

### Answer 9:

This is a case where you simply duplicate in *CPA* what happens in reality. The largest part of your pay (hopefully) is the net amount which you receive. Enter this as a deposit to your bank account from an income account. **Don't** enter your gross pay in this way, because that would indicate the withheld amounts have been deposited in your bank--something that obviously hasn't happened.

Instead, you should have **expense** accounts in your chart of accounts for each withheld amount: federal and state income taxes, FICA, health insurance, etc., as listed on your check. At the time you enter your net pay as a deposit to your bank account, enter each withheld amount as a transfer/journal transaction *from* the income account *to* the appropriate expense account. This will cause your gross income and each withholding item to be recorded, as well as the amount of your net pay. All will be correctly totalled in reports. The procedure follows reality, in that the withheld items are expenses

against your pay, even though the amounts don't pass through your hands.

If you receive a salary on a regular periodic basis which doesn't change from check to check, the most convenient way to handle a paycheck is as a set of automatic transactions. Use the Automatic Transactions function of the Setup segment to establish the net pay deposit and the withholding transfers from your income account on a regular weekly, bi-weekly or monthly basis. Then, each time you begin using *CPA* with an opening date on or later than a scheduled pay date, you can enter your paycheck with a few keystrokes.

If your pay does vary from check to check, you can still use automatic transactions by editing the amounts afterward with the Correct Transactions function. However, it is almost as easy to enter each deposit and transfer manually.

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### Question 10:

**How can I enter a transaction on last year's data disk which has already had its balances carried forward to my new data disk for this year?**

### Answer 10:

Although not ideal bookkeeping practice, there are sometimes practical reasons to make such an entry, so *CPA* will allow you to do it. However, the transaction may throw off this year's totals, including Net Worth. You can't just use the Bring Forward Balances function again, because you will lose all the transaction records you've entered on the new disk since you brought balances forward.

The way to avoid these problems is to enter the transaction on both disks.

Enter it exactly as it occurred on the older disk, with its actual date. It will then show up in reports in the correct place. If the transaction was cleared last year, use the Correct Transactions function to enter the month in which it was cleared before returning to the Main Menu. Then, X(it the program, and replace the older disk in Drive 2 with this year's disk. Restart the program.

While using the newer data disk, enter the same transaction with a month and day of zero. This will cause all of this year's balances to be correct, but the transaction will not be included in any month's totals. If the transaction was cleared last year, use the Clear Returned Items function in the Reconcile segment, with a calendar month of zero, to record the clearing (you have to do this or your statement

balance will be off in reconciliation). If the transaction is still outstanding this year, clear it when you reconcile the statement on which it appears.

---

### Question 11:

**CPA won't print reports, or the printed reports are unreadable. Why not?**

### Answer 11:

You haven't set up correctly for printing.

CPA depends on you to tell it whether you have a printer, and what kind of printer you have. The ability to do this easily is provided in the Initialize Printer function of the Setup segment.

From the Main Menu, press [S]. When the Setup menu appears, press [I]. The Initialize Printer menu will offer you choices numbered from 0 to 9 (zero to nine). If there is an asterisk (\*) following the zero in the first line, No Printer is selected: CPA does not know you have a printer. Or, if your reports appear in scrambled form, the asterisk may be located in the wrong line.

If your printer is one of the common models listed in the menu, simply press its number from the menu, then Quit the function and segment. CPA should now print your reports correctly.

If your printer is not listed, you still have several possible options:

Your printer may function identically to one of those in the list. If that is the case, it should be included in the Equivalent Printer table on the Printer Setup card packed with your copy of CPA. If you find your printer in this table, just press the number of the printer under which you find your printer listed. For example, many printers work like the Epson printer; if your printer is one of these, press [3] to select Epson, which should make your printer work correctly with CPA.

If your printer is not included in the Equivalent Printer table, you may find it listed in the Printer Code table on the same card. If so, the program will let you type in your printer's code numbers. To do this, press [9] for Custom, then type in the code numbers exactly as they are listed in the table, including the slash (/) marks.

If you have a daisy-wheel printer or a dot-matrix printer that will not support condensed printing, your printer will not appear in the Equivalent Printer or Printer Code tables. You can still set up CPA to

print reports, however. Notice that there are options in the Initialize Printer menu for 80-Column printing and for 14" Carriage.

If your printer has a narrow carriage, select the 80-column option: the only capability you will not have is the printing of the Monthly report in Wide format (Normal format will work).

If your printer has a wide carriage, select 14" Carriage from the menu. This will enable printing all reports in normal-size type, including the wide version of the Monthly Report.

Actually, the main purpose of the Initialize Printer function is to enable 132-column printing so the entire Monthly Report can be printed in Wide format on standard 8.5"-wide paper. If this capability is unimportant to you, you can select the 80-Column print option, which should allow printing of reports on any printer.

Remember that printer setup information is stored on your data disk, NOT your program disk. You must perform the Initialize Printer function on each new data disk you create if you want reports printed from that disk.

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## Question 12:

**How should I track investments made through a stock broker?**

## Answer 12:

With a little thought, you can track stock investments as easily as any other movement of value.

The key is to recognize that there are four things you want to keep track of:

1. The value of the stock that you own.
2. Cash held by the broker.
3. Stock purchases and sales.
4. Dividends.

To track these items, you need an account for each:

1. Broker Stock (asset account)
2. Broker Cash (asset account)
3. Capital Gain/Loss (income account)
4. Stock Dividends (income account)



Once these four accounts have been opened, handling of stock transactions is a straightforward recording of what really happens.

**1. To record an investment:**

*a. Transfer the amount of the purchase from your checking account to Broker Cash.*

*b. Transfer the purchase amount from Broker Cash to Broker Stock.*

**2. To record a stock sale:**

*a. Transfer the price you paid for the stock from Broker Stock to Capital Gain/Loss.*

*b. Transfer the price you received for the stock from Capital Gain/Loss to Broker Cash.*

*(Steps 2a and 2b automatically record the correct profit or loss for the sale.)*

*c. Transfer (deposit) the amount of any funds not left with the broker after the sale (not reinvested) from Broker Cash to your checking account.*

**3. To record a dividend:**

*a. Transfer the amount of the dividend from Stock Dividends to Broker Cash.*

*b. Transfer (deposit) any dividend not left with the broker from Broker Cash to your checking account.*

Note that these steps record what actually happens. Just as important, they insure that stock transactions have the proper effect on your total assets, your income, and your current net worth.

**ALSO NOTE:**

*1. You may be tempted to eliminate the "Broker Cash" account and work directly with your checking account. Don't do it. Although this will appear to work correctly at first, it will cause serious problems in the long run.*

*2. The procedures given above trace each set of transactions all the way from your checking account to Capital Gain/Loss, and vice versa. In actual practice this is often unnecessary, as when, for example, you leave the cash proceeds from a stock sale with your broker for later reinvestment. Take only the number of steps needed to record the real-life movement of value.*

### Question 13:

What are those strange letters that appear in the upper right corner of each CPA screen? Can I use them for anything?

### Answer 13:

These are "screen identifier codes." They give each CPA menu and data entry screen its own unique "name." And yes, they have a very practical use.

The letters which make up any particular code are the initial letters of all the screens leading to the screen carrying that code. The identifier code **MRLO** describes a route going from the Main Menu through the Reconcile Bank Statement and List Transactions menus to the Outstanding Transactions List screen. Therefore, MRLO both names the Outstanding Transactions List screen and tells how to find it in the program.

These codes are directly usable, because the letters contained in a screen's codes are also the keys which must be pressed to reach that screen *from the Main Menu*. You can reach the above example screen by typing **RLO** while the Main Menu is on your monitor screen. *Note that you never type the leading M in a code when you do this.*

Screen identifier codes can be combined with the wall chart supplied with your copy of CPA to quickly reach any screen you want to use. Just obtain the screen's code from the chart, then type the letters *after the M* while the Main Menu is on the screen. You don't even have to wait for any of the screens to appear before you finish typing the code.

---

### Question 14:

Sometimes when I am entering transactions, I would like to quickly switch between Payments, Receipts and Transfers, without going through the Enter Transactions menu. Can I do this?

### Answer 14:

Yes. A "quick-change" feature in the transaction entry screens allows instant switching between transaction types.

Here's how you use it:

1. *Before you type anything in the first line of any of the three transaction entry screens, press Ctrl-Z (Hold down [CTRL] while pressing [Z]).*

*You will now see a prompt allowing you to choose between either of the two other screens. For example, if you are currently using the Payments entry screen, you will be prompted:*

**R(eceipt or T(ransfer**

- 2. Press the letter key corresponding to the first letter of the screen you want; [R] for R(eceipt, [T] for T(ransfer, or [P] for P(ayment. You will then see the screen switch to the type you have chosen.*

Note that when you change between transaction entry screens in this way, any date you have entered remains in place on the new screen, and does not change back to the program starting date as it does when you choose a new transaction type from the Enter Transactions menu.

Also note that if you decide you do not want to change transaction types after you press **Ctrl-Z**, you can leave the screen unchanged by pressing **[RETURN]** rather than **[R]**, **[P]** or **[T]**.

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- (1) If your disk drive is out of alignment and speed or;
- (2) If your computer has a bad RAM.

Test the disk on another computer. If the program works, you have a problem with your hardware. If the program doesn't operate, send the disk back to us. The original disk must be returned to us for replacement.

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Phone (315) 393-6633

Monday - Friday -- 9:00 a.m. - 5:00 p.m. Eastern time

We repair and mail back corrected disks within 24 hours of receiving them. Very few firms claim this service. SIR-TECH claims it . . . and we do it.

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